



## BOARD OF DIRECTORS MEETING

Minutes of July 16, 2014

The regular meeting of the Board of Directors was held in the first floor Conference Rooms 1A, 1B and 1C at 1 Aviation Circle. The Chairman called the meeting to order at 10:15 a.m. Eleven Directors were present during the meeting:

Frank M. Conner III, Chairman  
Warner H. Session, Vice Chairman  
Richard S. Carter  
Michael. A. Curto  
Thomas M. Davis III  
Bruce A. Gates

Barbara Lang  
William Shaw McDermott  
Caren Merrick  
Nina Mitchell Wells  
Joslyn N. Williams

The Secretary and Executive Management were present:

John E. Potter, President and Chief Executive Officer  
Margaret E. McKeough, Executive Vice President and Chief  
Operating Officer

Mr. Conner reported that the day's schedule would be modified. He stated that it would be necessary to recess the Board of Directors Meeting so that the Financial Advisors could provide information for the record regarding a Finance Committee item. Additionally, the Business Administration Committee would consider two agenda items in advance of the Board of Directors Meeting so that the Board could take action on the same items later that day. Mr. Conner then requested that the Board of Directors recess its Meeting, which was unanimously approved. The Board of Directors recessed its Meeting at 10:17 a.m.

Mr. Conner reconvened the Meeting at 11:07 a.m. The same Directors listed previously were in attendance.

Mr. Conner announced that the August Board and Committee Meetings had been canceled; the Meetings would resume on September 17. He reported that the Directors would celebrate the opening of the Silver Line

on July 26. A celebration of the achievements of the Finance Staff and Financial Advisors on the closing of the Transportation Infrastructure Finance and Innovation Act (TIFIA) loan, the completion of the financing of the Metrorail Project and efforts to reduce the debt costs with regard to the Aviation Enterprise would occur on September 16.

## I. MINUTES OF THE JUNE 18, 2014 BOARD OF DIRECTORS MEETING

The Chairman called for the approval of the Minutes of the June 18, 2014 Board of Directors Meeting, which were unanimously adopted.

## II. COMMITTEE REPORTS

### a. Business Administration Committee – Warner Session, Co-Chair

Mr. Session reported that the Business Administration Committee had met that morning and on June 18.

At the June 18 Meeting, staff had presented the report on the 2014-2015 Disadvantaged Business Enterprise (DBE) Goal for Federally-Assisted Design and Construction Contracts, and the Committee had concurred with the staff request to proceed with the public participation process to establish a minimum DBE goal of 25 percent for these contracts. Staff had also presented an information paper on the AeroTrain System Operations and Maintenance Support. In executive session, the Committee had discussed information regarding potential contract terms.

Mr. Session reported that at the day's meeting, the Committee had approved staff's recommendation, with one condition [the contract include a 15 percent Local DBE (LDBE) requirement and that prior to the award, the firm must submit a plan demonstrating how it will achieve the LDBE participation requirements over the life of the contract and the Co-Chairs of the Business Administration Committee have reviewed and concurred in the plan], for the AeroTrain contract, which would be considered by the Board later in the meeting. Staff had also presented a recommendation for the award of a duty free/duty paid concession operator for both Airports. The Committee had approved the recommendation, and the Board would consider it later that day. In executive session, staff had also presented the Office of Technology Strategic Plan.

b. Executive and Governance Committee – Warner H. Session,  
Vice Chairman

Mr. Session reported that the Executive and Governance Committee had last met on June 18. Staff had presented the recommendation to revise the Code of Ethics for Employees, which the Committee and Board had approved on June 18.

c. Dulles Corridor Committee – Tom Davis, Co-Chair

Mr. Davis reported that the Dulles Corridor Committee had last met on June 18. Staff had presented the Dulles Corridor Metrorail Project Monthly Cost and Schedule Update for Phases 1 and 2. He noted that the first quarterly report for Phase 2 of the Project would be presented later at the day's meeting. Mr. Davis stated that most attendees were aware that Phase 1 of the Silver Line is scheduled to officially open for business on July 26. He noted that everyone is very excited about the opening and that Mr. Potter would provide details about the July 26 events during his report.

d. Finance Committee – Caren Merrick, Co-Chair

Ms. Merrick reported that the Finance Committee had met that morning and on June 18. At the June 18 Meeting, staff had presented the May 2014 Financial Reports and Financial Advisors' Reports for both enterprises.

At the day's meeting, staff had presented an information paper regarding the Aviation Enterprise's Series 2010D and 2011B Bonds Bank Facilities and Replacements in executive session. Staff had also presented the recommendation to approve the proposed resolution authorizing the execution of the TIFIA loan agreement, and the issuance of Dulles Toll Road Junior Lien Revenue Bonds, TIFIA Series 2014, which the Board would consider for action later in the day's meeting. Ms. Merrick reported that the Committee had also accepted the June 2014 Financial Reports and Financial Advisors' Reports for both enterprises.

e. Human Resources Committee – Bruce Gates, Co-Chair

Mr. Gates reported that the Human Resources Committee had met that day and on June 18. At the June 18 meeting, staff had presented the recommendations to amend the retirement savings plan and to award the

contracts for employees and retiree medical, dental and prescription drug plans. The Committee and Board had approved both recommendations on June 18.

Mr. Gates reported that the Committee had discussed a personnel matter in executive session at the day's special meeting.

f. Risk Management Committee – Nina Mitchell Wells, Co-Chair

Ms. Wells reported that the Risk Management Committee had last met June 18. In executive session, the Committee had received the results of the 1) PricewaterhouseCoopers Financial Statement Audit; 2) the Retirement Plans for Regular Employees and Police Officers and Firefighters for the year ending December 31, 2013; and 3) another audit issue. Ms. Wells stated that in regular session, staff had presented audit results on several audits, including general aviation; parking contractors; procurement card usage for repair and maintenance activities at both Airports; taxicab dispatch; and sole source contracts. The Committee had also received a report on internal controls and compliance activities and accomplishments.

g. Strategic Development Committee – Barbara B. Lang, Co-Chair

Ms. Lang reported that the Strategic Development Committee had last met on June 18. Staff had presented the Air Service Development Report. In executive session, the Committee had received an update on the use and lease agreement negotiations.

### III. INFORMATION ITEMS

a. President's Report

Mr. Potter reported that as most were aware the Silver Line is scheduled to officially open for business on July 26. He stated that the Washington Metropolitan Area Transit Authority (WMATA) is hosting several events that day, and many of those present at the day's meeting would participate. On July 26, a special train will give the Silver Line's first official ride to many of the Airports Authority staff, Directors, business and political leaders and other supporters and members of the Silver Line team who had worked through the years to make this achievement possible. Mr. Potter provided details about the July 26 activities, which would

begin with a ribbon cutting ceremony once the first trainload of passengers arrived at the Wiehle Avenue Station.

Mr. Potter reported that July 26 would also mark the beginning of service for the Washington Flyer Dulles Airport Silver Line Express bus, which will offer passengers fast, convenient, easy and inexpensive rides between the new Wiehle Avenue Station and Dulles International. He noted that this new bus service would replace the current bus service that the Airports Authority provides between Dulles International and the West Falls Church Metro station. The new bus service will be more convenient for passengers, offering a service frequency of every 15 minutes during the busier hours of the day. Passengers will enjoy benefits designed specifically for them, including special areas for luggage and free Wi-Fi service. Additionally, the service will offer a great bargain to passengers as it will cost less than \$11 to get from anywhere using the Metro system to the front door of Dulles International using the Silver Line and the Washington Flyer Dulles Airport Silver Line Express bus. Mr. Potter reported that anyone who attends the July 26 Silver Line opening ceremony can see the airport express bus and take a ride on it once Metro service begins that day at noon. The bus will then be stationed at Wiehle Avenue in Fairfax County's Reston Station Transit Center in the Bus Loop on the G-2 Level. Mr. Potter reported that the Authority also has advertising and other promotional activities underway for the new bus service, including ads in Metro stations, signs and videos at the Airport and messages on social media. The theme for these promotions is: "Metro to Dulles – Closer than Ever."

Mr. Potter thanked all the people in attendance whose hard work and dedication through the years had helped with this great accomplishment, along with political and business leaders, as well as Authority staff and contractors, who had also been instrumental in making this project possible. He stated that it is truly a testament to what can be accomplished when people from multiple government agencies and jurisdictions and from across the political spectrum work cooperatively together for the greater good of the entire region.

Mr. Potter provided an update on activities underway for Phase 2 of the Silver Line Project. The Authority had recently issued a Notice of Recommended Award to Hensel Phelps Construction Company of Chantilly, Virginia, as a result of the competitive procurement process for "Package B" for the design and construction of the rail yard and maintenance facility at Dulles International. Mr. Potter noted that Hensel Phelps' price

proposal of just under \$250 million had represented the lowest of the four bids received and was significantly lower than the original estimates. Although the Notice of Recommended Award is the latest step in this contracting process, the process is not complete or finalized. A due-diligence phase of this procurement is now underway where additional documentation, such as insurance certificates and payment and performance bonds, would be requested. Mr. Potter reported that a final decision on awarding Package B, the second and final major contract for Phase 2, is expected in the coming weeks. He noted that Package A, which includes the construction of six stations, 11.4 miles of track and guideways and wayside components, had been awarded last year to Capital Rail Constructors.

Mr. Potter reported that significant progress in the financing area for the Metrorail Project had occurred. The Authority had received the first \$100 million of the total \$300 million that the Virginia General Assembly had approved in 2013 to help support the Project. Mr. Potter stated that this assistance from the Commonwealth of Virginia, combined with the recently-approved TIFIA loan, is enabling the Authority to hold toll rates on the Dulles Toll Road at their current levels for the next five years. He thanked the Authority's supporters in Richmond and in the federal Department of Transportation and Congress for this vital financial support.

Mr. Potter stated that significant commercial development is already being planned around the new Phase 2 stations. He reported that the Authority is working with government officials and developers in Loudoun County as they make plans for the new rail corridor. Mr. Potter stated that the Authority wanted to help assure that development around the stations close to Dulles International is compatible with airport uses. He noted that the Authority is particularly interested in ensuring that residential construction would not occur too close to flight-path areas where aircraft noise could be an issue.

Mr. Potter reported that it is clear that the Silver Line is a major catalyst for growth and development, resulting in new jobs and business and tax revenue to the region.

With respect to the Airports, Mr. Potter reported that the Authority is continuing its effort to accommodate the new flights and additional passengers as progress continued with renovations and improvements at Reagan National. The Authority is looking forward to Frontier Airlines' (Frontier) launching its new service at Dulles International in August.

Mr. Potter noted that Ms. McKeough would provide more details on Frontier's activities in her report, as well as provide updates on summer operations at both Airports.

Mr. Potter reported that the Airports' passengers are certainly seeing the progress that had occurred with regard to the new concessions that are opening in all of the terminal buildings and concourses. He reported on the recent openings of Lacoste at Reagan National and Au Bon Pain at Dulles International. Mr. Potter referenced the staff recommendation that the Business Administration Committee had approved earlier that day, whereby the results of the recent solicitation for duty free/duty paid stores at both Airports, had resulted in the Authority being guaranteed recurring revenues of nearly \$13 million dollars annually, an increase of more than \$9 million compared to fees collected on the existing duty free contract.

Mr. Potter reported that the Authority had received approval from the Federal Aviation Administration (FAA) to use proceeds from Passenger Facility Charges (PFCs) to fund several very important projects. He recalled that in November 2013 the Board had approved a staff recommendation to submit an application to the FAA to continue collecting PFCs beyond the current authorization, scheduled to expire this year. Mr. Potter noted that the PFC application process is a lengthy one involving consultation with airlines, a public notice process and publication of information in the Federal Register. The FAA had approved more than \$425 million for the use of PFC funds to pay for the Silver Line Station at Dulles International and to help meet the Airport's commitment to fund 4.1 percent of the Silver Line project costs. The recently-approved application, which allowed the Authority to extend the PFC collections through 2025, also authorized the use of PFC funds to assist with debt service on 10 projects at Reagan National, including runway improvements and safety upgrades. Mr. Potter stated that these efforts would continue to assure first-rate facilities for passengers using Reagan National and Dulles International.

Mr. Potter commended all Authority employees who are working to move these initiatives forward while providing top-quality services and facilities to the Airports' customers.

Mr. Conner noted that the approval for the Authority to use PFC funds to pay for the Dulles International Metrorail station and related track costs marked the first time the FAA had allowed an airport to use the funds for

these purposes. Mr. Conner acknowledged the Finance Staff's creative work.

b. Executive Vice President's Report

Ms. McKeough reported that both Airports had had strong passenger activity levels in May, noting particularly the domestic service at Reagan National and international service at Dulles International. Ms. McKeough stated that while summer is a busy travel season, it is one of the most challenging times because of thunderstorms, which often delay or cancel scheduled flights. She noted that staff worked hard to mitigate the inconvenience that passengers experienced as a result of the weather-related events. On July 17, the Authority would begin its fourth season of the Summer Jazz Concert Series at both Airports, which provided a great opportunity to highlight local jazz musicians to entertain travelers coming through Reagan National and Dulles International.

Ms. McKeough reported that both Airports had received positive feedback on services volunteers provided to members of the military at the independently-operated United Service Organizations (USOs). She stated that as a result of an annual survey, the USO facility at Dulles International, which had served more than 27,000 members in 2013, had received the award as the up and coming center in the country. Ms. McKeough noted that approximately 200 daily volunteers presently staffed the USO center at Dulles International, which had opened in 2007. She congratulated the USO volunteers for their work in supporting military service members as they traveled through Reagan National and Dulles International.

Ms. McKeough reported on the creative efforts to meet the demands of the parking system as a result of the increased passenger activity at Reagan National. The realignment of spaces near the economy parking lot located on the south end of the Airport had resulted in an additional 200 parking spaces. Ms. McKeough reported that conversion of the space across from the current parking facility under the Metro bridge is near completion. Once converted, the space will provide approximately 100 parking spaces in the hourly lot within walking distance of all three terminals. Ms. McKeough explained that the existing hourly spaces in the garages would then be reprogrammed as daily spaces, which are in high demand. While long-term efforts to increase parking capacity are still underway, these efforts would alleviate some of the parking concerns during the summer travel season. In addition to the concessions, reno-



vations in the lobby and connection points to the gates in Terminal A are being completed in anticipation of the peak activity. Ms. McKeough stated that Dulles International staff is prepared for the launch of Frontier Airlines on August 19.

Ms. McKeough reported that a census review is conducted annually to determine the number of people who are employed with the Authority, airlines or vendors at the Airports. She noted that while 2012 data had been used for the recently-presented Economic Impact Study, more recent data collected for the annual census review indicated additional growth in employment at both Airports further verifying that both Airports are a significant economic generator to the local economy.

As part of the improvements to the Dulles Toll Road (DTR) which had recently been approved, Ms. McKeough reported that contractors would soon begin converting the DTR tolling lanes from cash available lanes to E-ZPass only lanes. The conversion is scheduled to be complete in the summer of 2015.

Mr. Williams inquired about the details of the Jazz concerts at the Airports. Ms. McKeough stated that the concert at Reagan National and Dulles International would be held in National Hall and the Main Terminal, respectively. She promised to provide the full schedule for both locations. Mr. Williams also inquired about the recognition of the USO volunteers. Ms. McKeough noted that although the volunteers are USO staff, Chris Browne, Vice President and Airport Manager, and staff had represented the Authority and conveyed appropriate recognition at the recent awards ceremony.

#### IV. NEW BUSINESS

- a. Recommendation to Award a Contract for Duty Free/Duty Paid Concession Operator for Dulles International and Reagan national

Mr. Session moved the adoption of the following resolution, which was unanimously approved:

WHEREAS, In March 2014, the Business Administration Committee concurred in the pre-solicitation terms for the Duty Free/Duty Paid concession operator solicitation;

WHEREAS, A two-step Invitation for Bids procurement was initiated on April 29, 2014;

WHEREAS, In response to step one, which focused on offeror qualifications, six submittals were received on May 28, 2014;

WHEREAS, The submittals were evaluated on a pass/fail basis by a Technical Evaluation Committee, which resulted in five offerors advancing to the second step and submitting bids;

WHEREAS, On July 9, 2014, the bids were opened, and the highest bid was submitted by Dulles Duty Free LLC;

WHEREAS, The proposed Duty Free/Duty Paid contract runs for a seven year and four month term, starting on August 1, 2014 and ending on December 31, 2021, and includes a 25 percent Airport Concessions Disadvantaged Business Enterprise goal; and

WHEREAS, The Business Administration Committee has approved the results of the competitive process and has recommended that the Board of Directors approve the award of the contract to Dulles Duty Free LLC; now, therefore, be it

RESOLVED, That the President and Chief Executive Officer is authorized and directed to enter into a contract with Duty Free LLC for the operation of the Duty Free/Duty Paid concession at both Airports, consistent with the terms presented to the Business Administration Committee at its July 16, 2014 meeting.

The final resolution filed in the Board of Directors Office includes a copy of the staff recommendation paper.

- b. Recommendation to Award a Sole Source Contract for the Aero-Train System Operations, Maintenance and Rehabilitation Services at Dulles International

Mr. Session moved the adoption of the following resolution, which was unanimously approved by all 11 Directors present:

WHEREAS, The AeroTrain system at Dulles International was constructed under a design, build, operate and maintain contract with a joint venture consisting of Sumitomo Corporation of America and Mitsubishi Heavy Industries;

WHEREAS, The “operate and maintain” portion of that contract has been performed since the AeroTrain’s opening in late 2009 by Crystal Mover Services, Inc. (CMSI), a wholly-owned subsidiary of the Sumitomo-Mitsubishi joint venture;

WHEREAS, The Airports Authority’s contract with CMSI for the AeroTrain’s operation and maintenance will expire on November 30, 2014;

WHEREAS, Since November 2012, staff has been evaluating several options for operating and maintaining the AeroTrain system, as well as undertaking the required refurbishment of the system’s 29 vehicles and related services (collectively, the “Aerotrain O/M Services”), following expiration of the CMSI contract, including (i) having these AeroTrain O/M Services performed “in-house” through a combination of Authority employees and contracts with outside vendors, (ii) acquiring the services from a contractor selected through a full and open competitive procurement, and (iii) acquiring the services from CMSI through a sole source negotiated contract;

WHEREAS, For reasons presented at the July 2014 meeting of the Business Administration Committee, staff has recommended (i) that the services required for the operation, maintenance and refurbishment of the AeroTrain system following expiration of the current CMSI contract be acquired using a procurement procedure other than full and open competition and, more specifically, using the sole source negotiated contract procedure, as authorized in Paragraph 1.4.1 of the Contracting Manual, and (ii) that contract staff has negotiated with CMSI for the provision of these AeroTrain O/M Services, for a ten-year period, be awarded to CMSI;

WHEREAS, The Business Administration Committee has accepted the staff recommendation and has recommended that the Board of Directors approve the award of a sole source contract with CMSI for the AeroTrain O/M Services;

WHEREAS, the Board has determined that, based on staff's recommendation, acquiring these AeroTrain O/M Services using the negotiated sole source procurement procedure is warranted since there realistically is only one responsible and practicable source available to provide the services, and since the use of this procedure and the resulting contract with CMSI will deliver to the Authority the reliability, efficiency and operational benefits associated with having a single entity that is fully accountable for delivery of the wide range of AeroTrain O/M Services called for by the contract; and

WHEREAS, As required by the Contracting Manual, notice of this potential sole source contract award was published on the Authority's website for the required time period and, following this publication, the Authority did not receive a communication from any entity or individual expressing an interest in and ability to provide the AeroTrain O/M Services; now, therefore, be it

RESOLVED, That the use of the sole source procurement procedure in acquiring the AeroTrain O/M Services is approved and authorized;

2. That the award of a contract to Crystal Mover Services, Inc., for the provision of the AeroTrain O/M Services for a ten-year period commencing December 1, 2014, which includes a 15 percent Local Disadvantaged Business Enterprise (LDBE) requirement, consistent with the terms presented to the Business Administration Committee at its July 2014 meeting, is approved and authorized; provided, that, prior to any award, CMSI has submitted a plan demonstrating how it will achieve the LDBE participation requirements over the life of the contract and the Co-Chairs of the Business Administration Committee have reviewed and concurred in the plan; and

3. That the President and Chief Executive Officer is authorized to execute the contract for AeroTrain O/M Services that is referenced in paragraph 2.

The final resolution filed in the Board of Directors Office includes a copy of the staff recommendation paper.

c. Recommendation to Approve the Proposed Resolution Authorizing the Execution of the Transportation Infrastructure Finance and Innovation (TIFIA) Loan Agreement and the Issuance of Dulles Toll Road Junior Lien Revenue Bonds, TIFIA Series 2014

Ms. Merrick moved the adoption of the following resolution, which was unanimously approved by all 11 Directors present:

WHEREAS, On November 1, 2008, the Virginia Department of Transportation (“VDOT”) transferred the Dulles Toll Road to the Metropolitan Washington Airports Authority (“Airports Authority”) pursuant to the Master Transfer Agreement Relating to the Dulles Toll Road and the Dulles Corridor Metrorail Project, dated December 29, 2006, by and between VDOT and the Airports Authority;

WHEREAS, On the same date, VDOT and the Airports Authority entered into the Dulles Toll Road Permit and Operating Agreement (“Permit and Operating Agreement”) in which VDOT conveyed a permit to the Airports Authority for the following 50 years, among other things, to operate, maintain and improve the Dulles Toll Road, to establish, charge and collect tolls and other fees for the privilege of using the Dulles Toll Road, and to retain, use, pledge and assign revenues from such tolls and other fees, all in accordance with the terms and conditions of Permit and Operating Agreement;

WHEREAS, Under the Permit and Operating Agreement, the Airports Authority is responsible for the design and construction of an extension of the Washington Metrorail system from the West Falls Church Station to and through Dulles International Airport, ending at a new station on Virginia Route 772 (“Metrorail Project”), to be located in part within the Dulles International Airport Access Highway right-of-way, and to be constructed in two phases (Phase 1 from the Westfall Falls Church Station to Wiehle Avenue in Reston, Virginia; Phase 2 from Wiehle Avenue through Dulles International Airport to Route 772 in Loudoun County);

WHEREAS, On August 12, 2009, the Airports Authority issued the Dulles Toll Road Revenue Bonds, Series 2009, in the aggregate principal amount of approximately \$963.3 million

to pay, among other things, a portion of the design and construction of the Metrorail Project;

WHEREAS, On May 27, 2010, the Airports Authority issued the Dulles Toll Road Revenue Bonds, Series 2010, in the aggregate principal amount of approximately \$342.6 million to pay, among other things, a portion of the costs of the Metrorail Project;

WHEREAS, On August 11, 2011, the Airports Authority issued the Dulles Toll Road Second Senior Lien Commercial Paper Notes, Series One ("Commercial Paper Notes"), in the aggregate principal amount of up to \$300,000,000, to pay, among other things, a portion of the costs of the Metrorail Project;

WHEREAS, On May 22, 2014, the Airports Authority issued the Dulles Toll Road Second Senior Lien Revenue Refunding Bonds, Series 2014A (Dulles Metrorail and Capital Improvement Projects) ("Series 2014A Bonds") in the aggregate principal amount of \$421,760,000 to pay, among other things, a portion of the costs of the Metrorail Project;

WHEREAS, The Airports Authority's application for a secured loan under the Transportation Infrastructure Finance and Innovation Act of 1978, as amended ("TIFIA Act"), to finance a portion of the costs of Phase 2 of the Metrorail Project has been approved by the United States Department of Transportation ("U.S. DOT") in an initial principal amount of \$1,278,000,000;

WHEREAS, The Airports Authority has been negotiating a form of TIFIA Loan Agreement (the "TIFIA Loan Agreement") between the Airports Authority and U.S. DOT, acting by and through the Federal Highway Administrator ("TIFIA Lender"), pursuant to which the TIFIA Lender will agree to extend a secured loan to the Airports Authority to finance a portion of the Cost of the Dulles Metrorail Project relating to Phase 2;

WHEREAS, The Airports Authority desires to authorize the issuance of additional Dulles Toll Road Revenue Bonds in an initial principal amount of \$1,278,000,000, to be designated

as Dulles Toll Road Junior Lien Revenue Bonds, TIFIA Series 2014 (“TIFIA Series 2014 Bonds”), to evidence the obligation of the Airports Authority to repay the loan under the TIFIA Loan Agreement;

WHEREAS, The forms of the following documents have been presented to the Board of Directors at this meeting:

- (a) the Tenth Supplemental Indenture of Trust (“Supplemental Indenture”), to be dated the date of execution and delivery of the TIFIA Loan Agreement, by and between the Airports Authority and Manufacturers and Traders Trust Company, as trustee (“Trustee”), relating to the issuance of the TIFIA Series 2014 Bonds;
- (b) the TIFIA Series 2014 Bonds, attached as Exhibit A to the Tenth Supplemental Indenture; and
- (c) the TIFIA Loan Agreement;

WHEREAS, All capitalized terms used but not defined in this Resolution have the meanings given them in the Supplemental Indenture; now, therefore, be it

RESOLVED, That the Airports Authority is authorized to enter into the TIFIA Loan Agreement to obtain a secured loan from the TIFIA Lender in the initial principal amount of \$1,278,000,000, which amount may be increased from time to time, to the extent permitted under the TIFIA Loan Agreement, to reflect the amount of interest on the loan that is not currently paid by the Airports Authority, and to issue the TIFIA Series 2014 Bonds;

2. That the Airports Authority is authorized to issue the TIFIA Series 2014 Bonds which shall be issued initially as one typewritten bond executed and delivered to the TIFIA Lender pursuant to the Master Indenture of Trust, dated as of August 1, 2009 (“Master Indenture”), by and between the Airports Authority and the Trustee, and the Supplemental Indenture, all upon the terms and conditions specified therein;

3. That Manufacturers and Traders Trust Company shall serve as the Trustee under the Supplemental Indenture;
4. That the form of each of the documents described in paragraphs (a) through (c) of the eleventh "Whereas" clause of this Resolution is hereby approved;
5. The interest rate on the TIFIA Series 2014 Bonds shall be equal to a fixed interest rate calculated by adding one basis point (.01%) to the rate of securities of a similar final maturity as published on the execution date of the TIFIA Loan Agreement in the United States Treasury Bureau of Public Debt's daily rate table for State and Local Government Series (SLGS) securities; provided, that the interest rate on the TIFIA Bonds shall not be less than the yield on 30-year United States Treasury securities as of such date; and provided further, that, upon the occurrence and during the continuance of a payment default, the interest rate with respect to any overdue principal amount shall be the foregoing rate plus 2.00% per annum;
6. That the TIFIA Series 2014 Bonds, as provided in the Supplemental Indenture, shall be issued as Junior Lien Revenue Bonds, shall be subject to mandatory and optional redemption, shall be additionally secured by a debt service reserve account in an amount equal to ten percent (10%) of the outstanding principal amount of the TIFIA Series 2014 Bonds, and, in the event that certain bankruptcy-related events relating to the Airports Authority occur, shall, as required by the TIFIA Act, become immediately secured as First Senior Lien Bonds or, if there are no First Senior Lien Bonds then outstanding, as Second Senior Lien Bonds;
7. That each of the Chairman, the Vice Chairman, the Co-Chairs of the Finance Committee, the President and Chief Executive Officer, the Executive Vice President and Chief Operating Officer, the Vice President for Finance and Chief Financial Officer, the Deputy Chief Financial Officer and the Manager of Treasury is hereby appointed as an "Airports Authority Representative" under the Master Indenture and the Supplemental Indenture and as "Borrower's Authorized Representative" under the TIFIA Loan Agreement;



8. That each of the Chairman and the Vice Chairman is authorized to execute, by manual or facsimile signature, the Supplemental Indenture, the TIFIA Loan Agreement and the TIFIA Series 2014 Bonds in substantially the forms submitted to the Board of Directors, but with such changes, insertions, completions and deletions as they deem necessary or desirable after consultation with the Co-Chairs of the Finance Committee, the Vice President for Finance and Chief Financial Officer, and the General Counsel, and the execution of these documents, with such changes, insertions, completions and deletions, by the Chairman or Vice Chairman shall constitute conclusive evidence of their approval by the Board of Directors;

9. That the Secretary is authorized and directed to affix the seal of the Airports Authority or a facsimile thereof on each of the Supplemental Indenture, the TIFIA Loan Agreement and the TIFIA Series 2014 Bonds, after its execution by the Chairman or Vice Chairman, to attest the same by a manual or facsimile signature, and to deliver the TIFIA Series 2014 Bonds to the Trustee for authentication upon the terms provided in the Master Indenture and the Supplemental Indenture; and

10. That each of the Airports Authority Representatives and the Borrower's Authorized Representatives is authorized and directed, with respect to the TIFIA Loan Agreement, the Master Indenture, the Supplemental Indenture and the TIFIA Series 2014 Bonds, to prepare and file reports and other documents required from time to time under the TIFIA Loan Agreement and the Supplemental Indenture, to execute, deliver and file any certificate and instrument related to the closing or issuance of the TIFIA Series 2014 Bonds (including without limitation any agreement for the investment of proceeds from the delivery of the TIFIA Series 2014 Bonds), and to take such other actions as shall be necessary or desirable from time to time in connection with the closing or issuance of the TIFIA Series 2014 Bonds and the administration of and continuing compliance with the TIFIA Loan Agreement.

The final resolution filed in the Board of Directors Office includes a copy of the staff recommendation paper.

V. UNFINISHED BUSINESS

There was not any unfinished business.

VI. OTHER BUSINESS & ADJOURNMENT

The Meeting was thereupon adjourned at 10:40 a.m.

Respectfully submitted:

A handwritten signature in blue ink, appearing to read "Quince T. Brinkley, Jr.", written in a cursive style.

Quince T. Brinkley, Jr.  
Vice President and Secretary

Approved 9/17/14